

104TH CONGRESS
1ST SESSION

S. 87

To amend the Foreign Trade Zones Act to permit the deferral of payment of duty on certain production equipment.

IN THE SENATE OF THE UNITED STATES

JANUARY 4, 1995

Mr. INOUE introduced the following bill; which was read twice and referred to the Committee on Finance

A BILL

To amend the Foreign Trade Zones Act to permit the deferral of payment of duty on certain production equipment.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. DEFERRAL OF DUTY ON CERTAIN PRODUCTION**

4 **EQUIPMENT.**

5 (a) IN GENERAL.—Section 3 of the Act of June 18,
6 1934 (commonly known as the Foreign Trade Zones Act,
7 19 U.S.C. 81c) is amended by adding at the end thereof
8 the following new subsection:

9 “(e) PRODUCTION EQUIPMENT.—

1 “(1) IN GENERAL.—Notwithstanding any other
2 provision of law, if all applicable customs laws are
3 complied with (except as otherwise provided in this
4 subsection), merchandise which is entered into a for-
5 eign trade zone for use within such zone as produc-
6 tion equipment or as parts for such equipment, shall
7 not be subject to duty until such merchandise is
8 completely assembled, installed, tested, and used in
9 the production for which it was entered. The duty
10 imposed on such merchandise shall be at the same
11 rate as would have been imposed (but for the provi-
12 sions of this subsection) on such merchandise had
13 duty been imposed on such merchandise at the time
14 of entry into the customs territory of the United
15 States.

16 “(2) FOREIGN TRADE ZONE.—For purposes of
17 this subsection, the term ‘foreign trade zone’ in-
18 cludes a subzone as defined in section 146.1(b)(17)
19 of chapter 19, Code of Federal Regulations.”.

20 (b) EFFECTIVE DATE.—The amendment made by
21 this section shall apply with respect to merchandise en-
22 tered, or withdrawn from warehouse for consumption,
23 after the date that is 15 days after the date of the enact-
24 ment of this Act.

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